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Testimony before the Appropriations Committee

March 27, 2015

Chairmen Walker and Bye, Ranking Members Ziobron and Kane and members of the Appropriations Committee, I'm testifying today on behalf of the House Republican Caucus in support of two bills:

HB 5958, "An Act Concerning The Use Of Certain Revenues To Provide Funds For The Budget Reserve Fund"
and
HB 5968, "An Act Requiring Funds From the Budget Reserve Fund And Any Excess Revenue To Be Used to Pay Interest Related To State Borrowing For Unemployment Compensation Benefits".

With regard to HB 5958:
As we sit here facing one of the most difficult budgets we have seen in a long time, the prospect of a budget surplus seems unimaginable. But, this is the time to think and plan ahead. Had we done so 15 years ago, we would likely not be in the position we are now. Since the year 2000, the state has experienced $6.1 billion in surpluses; only 35% of that money ever made its way in to the Rainy Day Fund.

HB 5958 is a way to ensure that as we project excess revenue throughout each fiscal year, that money is automatically put into the Rainy Day Fund. Under this proposal, any net revenue that exceeds the amount anticipated 1) in the adopted budget or 2) in the most recent consensus revenue estimate; or 3) any surplus remaining after the books are closed on a given fiscal year would by default be transferred to the Rainy Day Fund.

Essentially, this proposal would save us from ourselves – prevent us from sweeping surpluses during a fiscal year and spending that money. This practice over the years is in